

20 March 2019

# news release

## **ARCELORMITTAL SOUTH AFRICA SEEKS RESOLUTION WITH NUMSA TO END STRIKE**

ArcelorMittal South Africa is extremely disappointed with the statement issued on Tuesday, 19 March 2019 by NUMSA. This statement is not only factually inaccurate but is completely against the spirit in which the parties have been engaging over the last three days in an effort to collectively find an agreeable resolution to the current strike at ArcelorMittal South Africa operations.

The original demands from NUMSA centred around two historical issues, the insourcing of Real Tree employees within ArcelorMittal South Africa and a 2016 investigation which resulted in the dismissal of two NUMSA shop stewards.

Firstly, NUMSA is demanding that ArcelorMittal South Africa offers permanent employment to Real Tree employees. Real Tree is an independently registered service provider that secures contracts from ArcelorMittal South Africa through a robust tender process.

Despite the fact that NUMSA has not followed the provisions of the Recognition Agreement before bringing this demand to the company, ArcelorMittal South Africa, in an attempt to find common ground, proposed to embark on a process over the next three years to insource some critical skills currently employed at service providers, such as Real Tree, as part of ArcelorMittal South Africa's business optimisation programme and subject to its commercial and operational requirements, with due regard to contractual obligations.

On the second matter, despite the matter already having been fully investigated and a finding in favour of ArcelorMittal South Africa at the Metals and Engineering Industry Bargaining Council of South Africa (MEIBC), in order to resolve this, the company has agreed to a second investigation of the matter.

The proposal has not been accepted by NUMSA during the conciliation engagement and NUMSA has made further demands, including the reinstatement of one of the NUMSA shop stewards dismissed in 2016, a decision upheld by the MEIBC, despite ArcelorMittal South Africa agreeing to the original demand to investigate the matter. This means that the matter remains unresolved, regardless of ArcelorMittal South Africa having met the substance of the demands tabled by the union.

ArcelorMittal South Africa vehemently denies the assertions made by NUMSA that employees, whether permanent or contractor, are in any way placed at risk when working for or at the company. Safety remains ArcelorMittal South Africa's number one priority and not only underpins the company's licence to operate but is essential to its sustainability.

In 2018, the Group saw improved performance in all the key safety metrics, indicating positive results from the re-energised focus on safety. To ensure that contractors are aligned and adhere to the Group's stringent safety requirements, in 2017 ArcelorMittal South Africa appointed 154 'safety custodians' to monitor contractors' application of safety standards and procedures.

ArcelorMittal South Africa has ensured that the necessary contingency plans are in place to limit the impact of the strike on production and is extremely grateful that most employees have shown commitment and dedication to coming to work.

However, the safety and security of our employees remains our primary concern and, as such, the company applied for and was granted an interdict to ensure that the operations' entrances and exits were not unduly blocked by protestors and that employees who choose to come to work are not threatened or intimidated in any way. To give effect to this interdict, ArcelorMittal South Africa reconfirmed the picketing rules agreement with NUMSA to ensure safe and orderly demonstrations at the company's sites.

Unfortunately, ArcelorMittal South Africa continues to receive reports of serious acts of violence and intimidation against ArcelorMittal South Africa employees travelling to and from the workplace. The company will not tolerate such action and is working with the local police to investigate these incidents and ensure the perpetrators face the full extent of the law. The company will further institute legal proceedings to compel NUMSA to act responsibly in controlling the actions of their members during the strike action.

ArcelorMittal South Africa remains firmly focused on transforming the business for future growth, success and sustainability and any actions that negatively impact the achievement of these goals will adversely affect all the company's stakeholders.

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